

ORDINANCE NO. _____, SERIES 2009

AN ORDINANCE APPROVING THE FIFTEENTH SUPPLEMENTAL SEWER AND DRAINAGE REVENUE BOND AUTHORIZING RESOLUTION ADOPTED BY THE BOARD OF THE LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT (HEREINAFTER "THE DISTRICT") WHICH AUTHORIZES THE ISSUANCE OF THE DISTRICT'S SEWER AND DRAINAGE SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, (HEREINAFTER THE "CURRENT BONDS") AND PROVIDING FOR THE ADVERTISING, PUBLIC, COMPETITIVE SALE OF SAID BONDS IN AN AMOUNT NOT TO EXCEED \$180,000,000.00

SPONSORED BY: Councilman Jim King

WHEREAS, pursuant to Chapter 76 of the Kentucky Revised Statutes, as amended ("the Act"), the Louisville and Jefferson County Metropolitan Sewer District (hereinafter the "District" or "MSD") has been created and organized as a public body corporate, and is a valid political subdivision in good standing under the law of the Commonwealth of Kentucky, having jurisdiction, control, possession, and supervision of the existing sewer and drainage system of the Louisville/Jefferson County Metro Government; to maintain, operate, reconstruct and improve the sewer and drainage system; to make additions, betterments and improvements to the sewer and drainage system, with the power and authority to issue its negotiable interest-bearing revenue bonds for any of its corporate purposes and to refund any of its bonds; and

WHEREAS, the District has approved its five-year capital plan which included funding from a Revenue Bond Issue (hereinafter "Current Bond Issue") of 180 million dollars to be issued in fiscal year 2010; and

WHEREAS, the Current Bond Issue is required to fund obligations in MSD's Amended Consent Decree that was entered by the United States District Court for the Western District of Kentucky in addition to other initiatives including Project DRI, the Western Flood Pumping Station rehabilitation, treatment plant modifications, sewer assessments, and capital equipment purchases; and

WHEREAS, the Board of the District adopted the Fifteenth Supplemental Bond Authorizing Resolution ("the Resolution") which provides for the issuance by the District of Sewer and Drainage

System Revenue Bonds ("Current Bonds"), in the aggregate principal amount not to exceed \$180,000,000.00 in one or more series, and which provides for the advertised, public, competitive sale of said Current Bonds in an aggregate principal amount not to exceed \$180,000,000.00; and

WHEREAS, the Resolution allows for the issuance of Build America Bonds ("BABs"). The American Recovery and Reinvestment Act of 2009 created the BAB program which authorizes state and local governments to issue taxable bonds in 2009 and 2010 to finance capital expenditures for which they otherwise could issue tax-exempt bonds for which State and local governments can receive a direct federal subsidy for a portion of their borrowing costs equal to 35 percent of the total coupon interest paid to investors and this option is available but not required to be used in the Resolution; and

WHEREAS, the Fifteenth Supplemental Bond Authorizing Resolution adopted by the District's Board extends to the Current and all outstanding Bonds the requirement for the District to fix, establish, maintain and collect rents, rates and charges for services of the sewer and drainage system which, together with other revenues, are expected to produce revenues for each fiscal year and will be at least sufficient to the following:

- a. a sum equal to 110% of the principal and interest coming due on all issued and outstanding revenue bonds and indebtedness of the District for such fiscal year;
- b. all operating expenses for such fiscal year;
- c. amounts necessary to pay and discharge all charges or liens payable out of revenues of the District, and the procedures to maintain such coverage being currently authorized in MSD's Schedule of Rates, Rentals and Charges; and,

WHEREAS, the approval of this Ordinance ratifies the authorization and procedures concerning the Louisville/Jefferson County Metro Government's approval of MSD's Schedule of Rates, Rentals and Charges as provided for in KRS Chapter 76, as amended and as approved in Jefferson County Fiscal Court Ordinance No. 25, Series 1979 as amended by Jefferson County Fiscal Court Ordinance No. 32, Series 1986; and City of Louisville Ordinance No. 152, Series 1979

as amended by City of Louisville Ordinance No. 388, Series 1986; and as approved in Lou.Metro.Am.Ord.No. 275-2007.

BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT ("COUNCIL") AS FOLLOWS:

SECTION 1. That the Fifteenth Supplemental Bond Authorizing Resolution adopted by the Board of the Louisville and Jefferson County Metropolitan Sewer District authorizing the issuance of its Current Bonds, in one or more series, is hereby approved and authorized in an amount not to exceed \$180,000,000.00.

SECTION 2. That all previous ordinances relating to the District's Debt Service Adjustment covenants continue to be in full force and effect and will continue to be a covenant for as long as any District Revenue Bonds are outstanding and this Ordinance ratifies the authorization and procedures concerning the Louisville/Jefferson County Metro Government's approval of MSD's schedule of rates, rental and charges as approved in Lou.Metro.Am.Ord.No. 275-2007.

SECTION 3. That all plans for the projects that have been projected for construction in fiscal year 2010 as shown on Exhibit 1 are hereby approved.

SECTION 4. That the Bonds shall not constitute an obligation or indebtedness of Louisville/Jefferson County Metro Government and the Current Bonds will be issued under the provision of KRS 76.010 through 76.210 and will not constitute an indebtedness of said Louisville/Jefferson County Metro Government.

SECTION 5. That this Ordinance shall take effect upon its passage and approval.

JERRY E. ABRAMSON, Mayor

DATE

DAVID TANDY, President of the Council

DATE

KATHLEEN J. HERRON, Metro Council Clerk

DATE

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____
_____,
Jefferson County Attorney